

Program Summaries

Budget Planning Assumptions

The 2005 King County Budget is built using the following assumptions:

Salaries. In 2005, reserves for salary and wage adjustments for COLA and Merit are budgeted in each appropriation unit in the Current Expense fund instead of holding central reserves in the Salary and Wage Contingency. Non-Current Expense funds continue to hold salary and wage reserve accounts within each fund. These reserves provide funding for COLA, merit and step increases. For most County employees the COLA increase is 90% of the change in the September to September national consumer price index (CPI-W), with a floor of 2.00%. The 2005 COLA is projected to be 2.10%. The contingencies also include reserves for merit, longevity increases, and other salary adjustments. The methodology in the Current Expense Fund eliminates the need for a COLA Ordinance to distribute funding from the central Salary and Wage Contingency to each Current Expense appropriation unit.

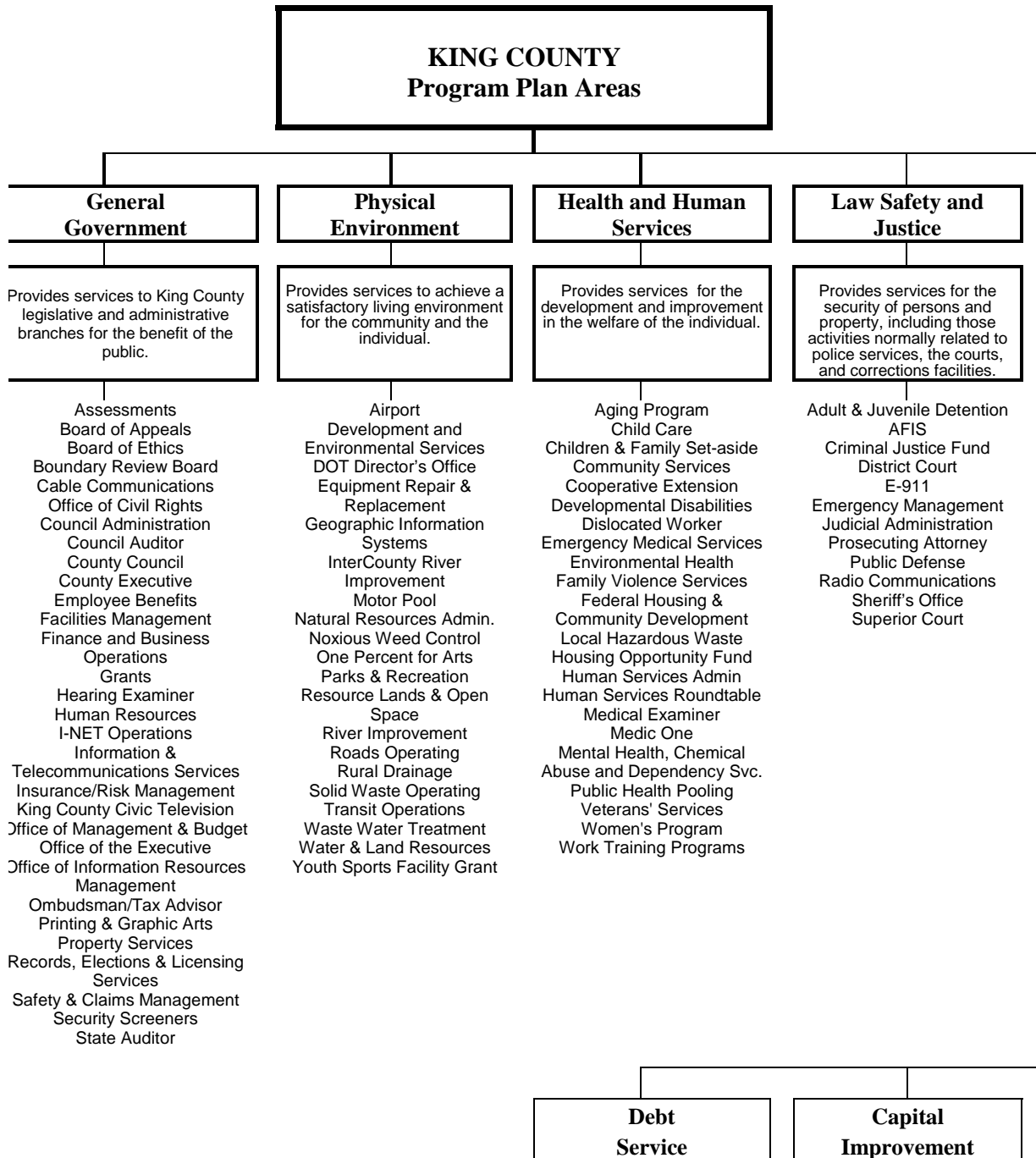
Medical Benefits. Expenditures for providing medical/dental benefits to employees are budgeted to decrease about 1.68% in 2005 over 2004 budgeted levels.

Internal Service Rates. The 2005 Adopted Budget includes increases in several internal service rates, including ITS-Technology Services, ITS-Telecommunications, Facilities Management, Office of Information Resource Management, Risk Management and Finance.

Current Expense Underexpenditure. Prior to 1997, the CX Financial Plan assumed a 1.00% underexpenditure rate. Beginning in 1997, the CX Financial Plan assumed a 1.50% underexpenditure rate which was increased to a 1.75% rate in 1998, 1999, 2000 and 2001. Beginning in 2002, the underexpenditure rate increased to 2.00%. In the 2005 Adopted Budget, 1.25% of the required underexpenditure has been reduced from CX operating and CX transfer budgets to more directly budget for assumed underexpenditure levels. A remaining central contra of 0.75% is held in the CX Financial Plan, for a total assumption of 2.00%. Departments are expected to manage their appropriations to achieve the underexpenditure.

Major Maintenance Reserve Fund. The 2005 Adopted Budget includes the transfer of \$4.2 million of revenues designated for the Sales Tax Reserve subfund to the Major Maintenance Reserve Fund and in support of the other CIP programs. The County's financial policies allow for expenditure from the Sales Tax Reserve Fund when the fund balance exceeds \$15 million. This balance was achieved in 1994.

BUDGET PLANNING ASSUMPTIONS



BUDGET PLANNING ASSUMPTIONS

Summary Comparison of 2005 Appropriations by Program Category All Resources

| Program Category | 2003 Adopted | 2004 Adopted | 2005 Adopted | 2005 - 2004 \$ Change | % Change |
|---|-------------------------|-------------------------|-------------------------|--------------------------|--------------|
| General Government | 387,726,429 | 430,338,108 | 431,079,368 | 741,260 | 0.2% |
| Physical Environment | 749,726,108 | 743,290,775 | 760,861,114 | 17,570,339 | 2.4% |
| Health & Human Services | 414,207,878 | 412,564,735 | 431,787,225 | 19,222,490 | 4.7% |
| Law, Safety & Justice | 387,354,758 | 404,577,665 | 422,635,051 | 18,057,386 | 4.5% |
| Total Operating | 1,939,015,172 | 1,990,771,283 | 2,046,362,758 | 55,591,475 | 2.8% |
| Debt Service | 278,666,966 | 280,565,479 | 298,057,109 | 17,491,630 | 6.2% |
| Capital Improvement | 855,498,682 | 601,412,710 | 941,770,848 | 340,358,138 | 56.6% |
| TOTAL | 3,073,180,821 | 2,872,749,472 | 3,286,190,715 | 413,441,243 | 14.4% |
| Non-Categorized | | | | | |
| CX Fund Transfers | 32,870,641 | 56,996,381 | 56,447,106 | | |
| Sales Tax Contingency | 4,020,313 | 3,920,150 | 4,171,491 | | |
| Children and Family Services | 3,668,862 | 7,294,913 | 7,440,673 | | |
| CJ Funds Other | 694,282 | 481,243 | 0 | | |
| Roads and Airport Construction Transfer | 27,738,424 | 29,788,813 | 33,966,583 | | |
| PERS Liability and Risk Abatement | 2,506,446 | 34,725,500 | 23,472,683 | | |
| Total Non-Categorized | 71,498,968 | 133,207,000 | 125,498,536 | | |
| Grand Total | \$ 3,144,679,789 | \$ 3,005,956,472 | \$ 3,411,689,251 | | |

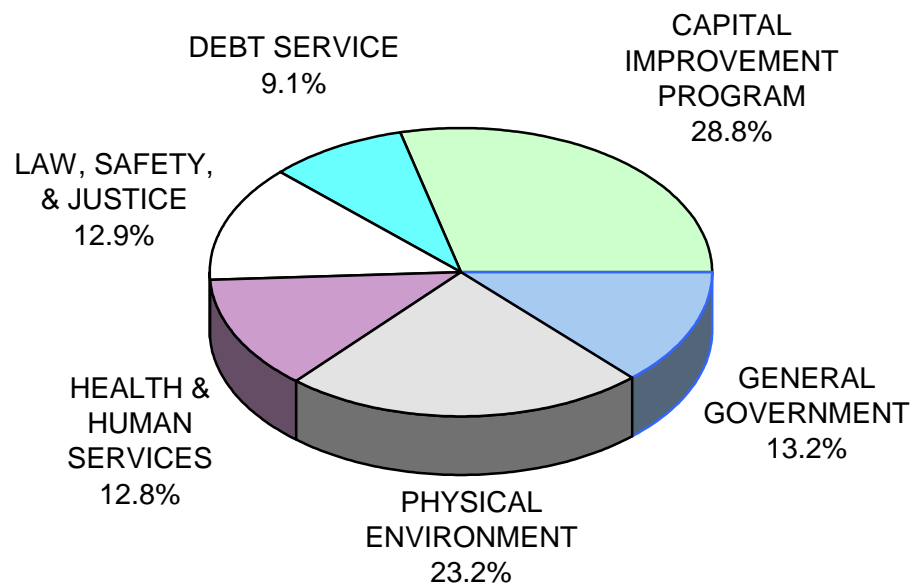
Summary Comparison of 2005 Appropriations by Program Category Current Expense and General Fund

| Program Category | 2003 Adopted | 2004 Adopted | 2005 Adopted | 2005 - 2004 \$ Change | % Change |
|-------------------------------------|-----------------------|-----------------------|-----------------------|--------------------------|-------------|
| General Government | 73,177,855 | 81,385,057 | 84,342,797 | 2,957,740 | 3.6% |
| Physical Environment | 16,815,555 | 5,658,086 | 5,775,121 | 117,035 | 2.1% |
| Health & Human Services | 9,025,553 | 30,003,136 | 34,510,807 | 4,507,671 | 15.0% |
| Law, Safety & Justice | 353,309,622 | 372,839,659 | 384,695,154 | 11,855,495 | 3.2% |
| CX Transfers to CIP | 3,420,237 | 6,814,006 | 17,253,088 | 10,439,082 | 153.2% |
| Other Agencies | 49,185,592 | 28,568,238 | 10,173,934 | (18,394,304) | (64.4%) |
| Total Current Expense* | 504,934,414 | 525,268,182 | 536,750,901 | 11,482,719 | 2.2% |
| Subfunds to the General Fund | | | | | |
| Sales Tax Reserve Contingency | 4,020,313 | 3,920,150 | 4,171,491 | 251,341 | 6.4% |
| Children and Families Set-Aside | 3,668,862 | 15,695,025 | 19,984,454 | 4,289,429 | 27.3% |
| Inmate Welfare | 1,865,308 | 1,198,223 | 1,201,285 | 3,062 | 0.3% |
| Total General Fund | \$ 514,488,897 | \$ 546,081,580 | \$ 562,108,131 | \$ 16,026,551 | 2.9% |

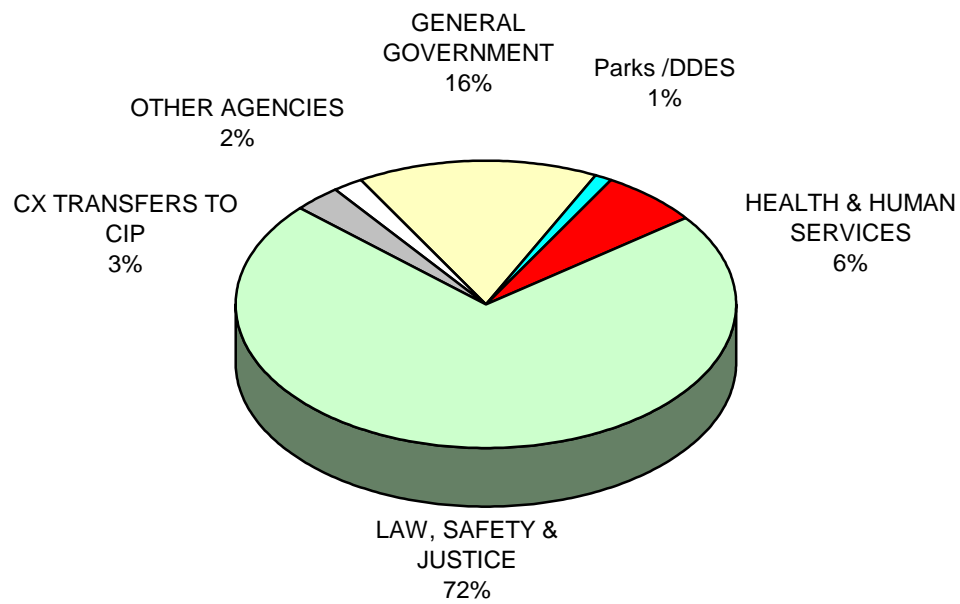
*The financial plan and this table reconcile by reducing the total general fund amount by \$4,171,491 for the Sales Tax Reserve Contingency and by \$15,279,554 for the Current Expense Fund transfer to the Children and Families Set-Aside Fund and \$3,268,192 for underexpenditures. The total is \$539,388,894 which matches the CX Financial Plan. To match general fund pie chart, add back underexpenditure for a total of \$542M.

**This table restates Current Expense and Criminal Justice for 2003 and 2004.

Distribution of 2005 Expenditures by Program Category
All Funds \$3.3 Billion



Distribution of 2005 Expenditures by Program Area
General Fund
\$542 Million

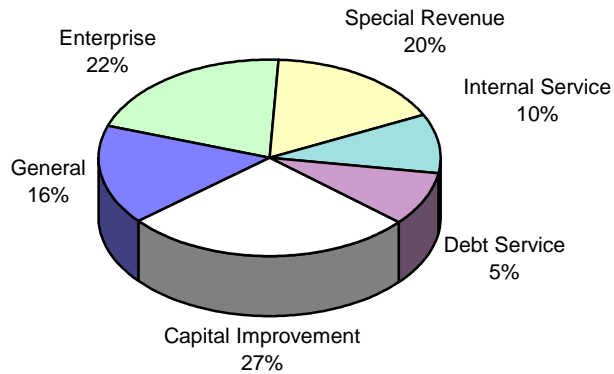


BUDGET PLANNING ASSUMPTIONS

2005 Expenditures, Revenues and FTEs by Fund Type

| Fund Type | Revenues | | Expenditures | | FTEs | |
|------------------------|----------------------|-----|----------------------|-----|---------------|-----|
| General | 554,308,398 | 16% | 562,108,131 | 16% | 4,217 | 32% |
| Special Revenue | 670,469,367 | 20% | 703,468,030 | 21% | 3,169 | 24% |
| Enterprise | 744,361,698 | 22% | 569,502,978 | 17% | 4,842 | 38% |
| Internal Service | 332,032,308 | 10% | 338,803,439 | 10% | 826 | 6% |
| Debt Service | 172,076,073 | 5% | 298,057,109 | 9% | 0 | 0% |
| Capital Improvement | 890,967,358 | 27% | 941,770,848 | 27% | 0 | 0% |
| Total All Funds | 3,364,215,202 | | 3,413,710,535 | | 13,054 | |

Revenues



Expenditures

